NSC BRIEFING

14 January 1959

SOVIET PRESSURES ON IRAN

- I. For several months Moscow has been exerting extensive pressure on Iran to limit scope, if not actually block conclusion, of pending Iranian-US defense agreement. While Iranian Govt has not been intimidated, Iran is vulnerable to Soviet exploitation of existing economic pressures and popular dissatisfaction with the regime.
 - A. Latest Soviet note, delivered 23 December, proposed mutual talks on outstanding issues, but contained menacing undertones.
 - 1. On 31 December Soviet ambassador suggested conference of unspecified larger powers to negotiate international guarantee of Iranian neutrality, apparently expecting that rejection of Soviet proposals would place Moscow in a stronger position to step up its pressure.
 - 2. Soviet answer to New Year greetings from Shah stated that Tehran must act to improve the poor state of Soviet-Iranian relations.
 - B. Iranian Govt has reacted by requesting US that defense agreement be concluded as soon as possible, preferably in Washington before Baghdad Pact Ministerial Council meeting in Karachi (26-28 January), or at least at meeting itself.
 - C. In his conversations with US officials, moreover, Shah cites Soviet pressure to bolster his argument that Iran needs additional military aid.

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- II. Iran becoming increasingly concerned over growing influence of Communism in Iraq. It views this development as subversive threat to Iran.
 - A. Iraq has become a new base for Tudeh activities, with known Tudeh leaders in Baghdad.
 - B. Shah recognizes potential threat of Iraqi-Soviet inspired subversion among Kurdish and Arab tribes in Iran.
 - C. London officials are worried over the possibility that USSR may exploit Iranian political and economic instability to promote fragmentation of Iran and development of "land bridge" connecting USSR with Iraq.